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BEFORE THE CALIFORNIA

STATE WATER RESOURCES CONTROL BOARD

In the Matter of Draft Cease) and Desist Order No.) 2009-00XX-DWR against Thomas) Hill, Steven Gomes and) Millview County Water

Ref. No. 363:J0:262.0(23-03-06)

DECLARATION OF JARED G. CARTER IN SUPPORT OF HILL, GOMES OPPOSITION TO DRAFT CDO

Hearing: January 26, 2010

Time: 9:00 a.m.

Location: Coastal Hearing Room, 1001 I Street, Second Floor, Sacramento

I, Jared G. Carter, declare:

1. I am an attorney, duly licensed to practice law in all of the Courts of the State of California. My law firm and I are counsel of record in this matter for respondents Tom Hill and Steve Gomes. We were also counsel of record for Hill and Gomes in the recently-concluded civil lawsuits in Mendocino County Superior Court, cases number SCWL-CVPT '08 51448 and SCWL-CVG '08 51450, regarding the same water right that is at issue in this proceeding. The following is based upon my personal knowledge, except for those matters stated on

information and belief, and as to those matters I am informed and believe them to be true. If called as a witness I could and would competently testify to the following.

2. The water right at issue in this proceeding as well as in the two above-referenced Superior Court cases is known as the "Waldteufel Right" and is embodied in a notice generated by Mr. J.A. Waldteufel, as of March 24, 1914, and recorded in the official records of Mendocino County at Book 3 of Deeds, Page 17, on or about March 24, 1914 ("Waldteufel Right"). A true and correct copy , a copy of which is attached hereto as Exhibit C.

3. I am informed and believe that the 'investigation' by Charles Rich, upon which the proposed cease and desist order at issue in this proceeding is based, was conducted in response to a February 27, 2006, letter ("Howard Complaint") from Lee Howard to Victoria Whitney ("Whitney"), Division Chief of the State Water Resources Control Board ("SWRCB"), Division of Water Rights ("DWR"). I am informed and believe that a true and correct copy of the entire Howard Complaint is attached hereto as Exhibit G.

4. I received a copy of Charles Rich's ("Rich") June 1, 2007, "Report of Investigation . . . " ("Report") regarding the Howard Complaint, a true and correct copy of which report is attached hereto as Exhibit M.

5. On July 24, 2007, I wrote a letter to Rich on behalf of Hill and Gomes, giving him some of the reasons why the conclusions in the Report are in error. A true and correct copy of my July 24 letter to Rich is attached hereto as $\underline{\text{Exhibit}}$ $\underline{\text{N}}$ (AR 10074-78, Tab 23; $\underline{\text{see}}$ also 10256-60).

- 6. On November 15, 2007, I wrote a letter and public records request to James Kassel of SWRCB, DWR. A true and correct copy of my November 15 letter to Kassel is attached hereto as <u>Exhibit Q</u> (AR 10046-47, Tab 18).
- 7. On March 6, 2008, Chris Neary (who represents Millview County Water District) and I wrote a joint letter to Whitney regarding the Howard Complaint and the Report. A true and correct copy of that joint letter is attached hereto as $\underline{\text{Exhibit}}$ $\underline{\text{R}}$ (AR 10226-32).
- 8. On or about April 17, 2008, I received from Whitney a letter denying reconsideration of the Report. A true and correct copy of the letter I received from Whitney is attached hereto as <u>Exhibit S</u>.
- 9. On or about April 17, 2008, I received from Whitney a letter purporting to close DWR's and SWRCB's handling of the Howard Complaint. A true and correct copy of that letter from Whitney is attached hereto as Exhibit T.

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10. On April 24, 2008, Neary and I caused to be filed in 1 the Superior Court of the County of Mendocino, case number 2 3 4 5

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SCWL-CVPT '08 51448 (entitled Millview County Water District, Tom Hill, Steve Gomes v. California State Water Resources Control Board, et al.; hereafter, the "Lawsuit"), a petition for writ of mandate against SWRCB.

On April 28, 2008, Neary and I filed in the Lawsuit an application for an alternative writ of mandate and a stay of any prosecution of Millview, Hill and/or Gomes by SWRCB with respect to the Waldteufel Right. In connection with that motion, I caused the documents that I had received from DWR in response to my November 2007 public records request to be filed as the 'administrative record' of the SWRCB's action with respect to the Waldteufel Right. A true and correct copy of my "Notice of Lodging of the Administrative Record", which includes the documents received from DWR, is attached hereto or filed concurrently herewith as Exhibit U, except that all of the documents under Tab 39 (10226 to 10270) were added by me after receipt of the AR from DWR, and are therefore not technically part of the AR, and page 10147a was inadvertently omitted but has been added as the second page of Exhibit L (see Tab 31 of AR).

On January 14, 2009, in the course of his handling of the Lawsuit, and after having become familiar with the Howard Complaint, the Report and the Waldteufel Right, the Honorable Philip Schafer did issue an order ("Order") in the Lawsuit.

true and correct copy of the Order is attached hereto as Exhibit V. On page two of the Order, Judge Schafer stated that DWR's and/or SWRCB's "proposed inaction", i.e., its stated intention of simply closing the Howard Complaint with taking final and formal action thereon, "would be an abuse of discretion".

13. SWRCB shortly thereafter (on April 10, 2009) issued a notice of a draft cease and desist order ("CDO") against Millview, Hill and Gomes. The CDO is based entirely upon the Report. Attached hereto as Exhibit W is a true and correct copy of the notice I received regarding the CDO.

- 14. I timely requested a hearing on the CDO on Hill's and Gomes' behalf. Attached hereto as Exhibit X is a true and correct copy of my April 28, 2009, letter to Kassell requesting a hearing on the CDO.
- 15. The months of May, June, July and August 2009 passed without any action by or notice from SWRCB regarding the hearing on the CDO. Then, on September 3, 2009, one week before a September 10 hearing before Judge Schafer in the Lawsuit, SWRCB issued a notice of hearing on the CDO, setting the hearing for January 26, 2009.
- 16. I have on several occasions asked the DWR staff and/or its counsel what volume of water SWRCB attributed to the Waldteufel Right when SWRCB has concluded, in its "Decision

1610" and otherwise, that the Russian River above Cloverdale is fully appropriated in the summer months. I have never been able to receive an answer from SWRCB or its agents to that question. To the extent SWRCB has attributed the full volume of water claimed by Waldteufel in making prior decisions regarding appropriation of the Russian River, it is inconsistent and inequitable — and in my opinion unlawful — for SWRCB to now attribute a lesser volume of water to the Waldteufel Right.

17. At the present time I know of no other documents or materials that were generated or produced by the Board or DWR in their handling of the Howard Complaint. The Board did not conduct a hearing regarding the Howard Complaint or the conclusion in the Report that the Waldteufel Right had been diminished by forfeiture. The instant proceeding is nevertheless based upon the SWRCB's apparent conclusion that there has been a forfeiture of the large majority of the volume of the Waldteufel Right.

18. It is unlawful for SWRCB to purport to reach such a conclusion without a hearing, and it is unlawful for SWRCB to purport to require Hill and Gomes, or Millview, to prove that the Waldteufel has not been forfeited. These positions are also inconsistent with SWRCB's own literature.

19. Attached hereto as <u>Exhibit AA</u> is a true and correct copy of a document entitled "State Water Resources Control

Board Information Pertaining To Water Rights In California - 1990". At pages 7 and 8 of that pamphlet, which I am informed and believe was published by SWRCB (apparently in May 1999; see lower left of first page), it is stated that "The SWRCB does not have the authority to determine the validity of vested rights other than appropriative rights initiated December 19, 1914 or later."

20. Attached hereto as <u>Exhibit BB</u> is a true and correct copy of a document entitled "Information Pertaining to Investigating Water Rights Complaints in California - February 2005", which purports to have been published by the DWR. SWRCB and/or DWR therein state, on page three, as follows:

"In some case, the SWRCB may decide not to process a complaint because of lack of information or a determination that the issues more appropriately fall under the jurisdiction of the court system. This situation is most common for major operations involving claimed riparian and/or pre-1914 water rights or for allegations of waste or unreasonable use of water or adverse impacts to public trust uses."

21. I am informed and believe that in the case that resulted in the published decision in <u>California Farm Bureau</u>

<u>Federation v. California State Water Resources Board</u> (2007) 146

Cal.App.4th 1126, 1152, SWRCB took the position that it has no jurisdiction over pre-1914 water rights. The Waldteufel Right

¹ The California Supreme Court has granted review of that case, so it is no longer precedential.

is a pre-1914 water right within the meaning of that phrase.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on January $\cancel{\mu}$, 2010, at Ukiah, California.

Jared G. Carter